

Konrad L. Trope (California SBN: 133214)
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Attorneys for Plaintiff Konrad L. Trope

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

Konrad L. Trope, a resident of the State
of California;

Plaintiff,

vs.

Theodore Robert Mandes, Jr., a resident
of the State of Florida; Theodore Robert
Mandes, Sr., a resident of the State of
Florida; and DOES 1 through 10,
inclusive,

Defendants.

Case No: _____

COMPLAINT FOR:

- (1) Breach of Oral Contract;
- (2) Violations of the Racketeering
Influence and Corrupt Organizations
Act ("RICO") 18 U.S.C. § § 1961 *et seq.* (wire fraud);
- (3) Violations of the Racketeering
Influence and Corrupt Organizations Act
("RICO") 18 U.S.C. § § 1961 *et seq.*
(conversion);
- (4) Fraud (Intentional
Misrepresentation);
- (5) Conversion;
- (6) Unjust Enrichment;

JURY DEMAND

COMES NOW, Plaintiff KONRAD L. TROPE, a resident of the State of
California; presenting their complaint herein against Defendants Theodore Robert
Mandes, Jr., a resident of the State of Florida; Theodore Robert Mandes, Sr., a
resident of the State of Florida:

THE PARTIES

1. Plaintiff Konrad L. Trope, is a resident of the State of California.
2. Defendant Theodore Robert Mandes, Jr., is a resident of the State of
Florida.

1 3. Defendant Theodore Robert Mandes-SR. ("Mandes-SR."), is a resident
2 of the State of Florida.

3 4. The true names and capacities of the Defendants sued in this
4 Complaint as DOES 1 through 10, inclusive, whether individual, corporate,
5 associate, or otherwise, are presently unknown to Plaintiffs who therefore sue these
6 Defendants by such fictitious names. Plaintiffs will amend this Complaint to set
7 forth the true names and capacities of DOES 1 through 10, inclusive, when they
8 have been ascertained or at the time of trial herein. Plaintiff is informed, believes
9 and thereon alleges that each of these such fictitiously named Defendants
10 participated in some manner in the events and occurrences referred to hereinafter
11 and/or proximately caused the damages complained of herein.

12 5. Plaintiff is informed, believe and thereon allege that, at all times herein
13 mentioned, each of the Defendants (including inter alia, the fictitiously named
14 Defendants) was the agent, servant, employee or co-conspirator of each of the other
15 Defendants, and doing the things herein alleged, was acting in the scope of his, her,
16 or its actual, apparent or special authority as such agent, servant, employee or co-
17 conspirator, and with the permission or consent of each such co-Defendant.

18 **JURISDICTION AND VENUE**

19 6. This Court has original jurisdiction pursuant to 28 U.S.C. § 1138(a) in
20 that violations of Federal statutes took place, namely the Federal RICO statute set
21 forth at 18 U.S.C. § § 1962 and 1964. Additionally, this court has diversity
22 jurisdiction pursuant to 28 U.S.C. § 1332 in that Plaintiff is a resident of the State
23 of California and Defendants are residents of the State of Florida. The Court also
24 has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 as the non-federal
25 question claims for breach of contract, fraud and conversion arise from the same
26 nucleus of operative facts that support the Federal questions.

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1 7. In addition, a percipient witness who helped participate in the
2 conspiracy to violate the Federal RICO statute is Ms. Cynthia C. Costello. She is
3 also a resident of the State of Florida and is the wife of Theodore Mandes-SR.

4 **ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF**

5 8. In or about November 2021, Plaintiff Konrad L. Trope (“Trope”) was
6 introduced to Theodore Robert Mandes, Junior (“TR”), by Kristin Ann Herold
7 (“Ms. Herold”). The introduction took place at Plaintiff’s home in Los Angeles,
8 California on Thanksgiving in November 2021.

9 9. Defendant Theodore Robert Mandes (“TR”) then proceeded to make
10 numerous representations at Thanksgiving dinner on November 25, 2021 about his
11 skill and expertise as having been a floor trader on the New York Stock Exchange
12 for over 25 years. Defendant TR then added that he now had his own financial
13 investment firm in Florida and that he had numerous “heavy players” backing him.
14 Defendant TR claimed to be a Series 7 Licensed Broker.

15 10. Defendant TR claimed that he had well over 25 year’s experience as a
16 stockbroker and had worked for various stock brokerage firms in New York.

17 11. Subsequently, Defendant TR repeatedly claimed in numerous phone
18 conversations throughout November 2021-November 2022, that some of his clients
19 included former Congressman Mark Foley, of Florida; Carey Warren, Founding
20 Partner and Chief Enterprise Officer at Coterie Media, a major advertising/public
21 relations firm; J. Ira Harris, an alleged major financier. Defendant TR’s father,
22 Mandes-SR., also represented that these individuals were clients of his son,
23 Defendant TR.

24 12. Further discussions took place between Plaintiff Trope and Defendant
25 TR in December 2021, January and February 2022 concerning the possibility of
26 Plaintiff Trope investing with Defendant TR whereby Defendant TR would be
27 retained to provide professional investing and financial advice for the timing and
28 nature of investments.

1 13. Indeed, Defendant TR represented to Plaintiff Trope in April and May
2 of 2022 that his expertise was a “day trader” whereby trends in the market could be
3 spotted and taken advantage of on a quick turnaround.

4 14. Among those activities which Defendant TR claimed expertise were
5 in trading options including “puts and calls” as well as shorting stocks.

6 15. Furthermore, Defendant TR claimed that he had a proprietary
7 algorithm for assessing when to sell and buy stocks, options, and other financial
8 instruments.

9 16. Defendant TR repeatedly alleged in telephone calls between his
10 location in Florida and Plaintiff Trope’s location in California, that he was licensing
11 and promoting an algorithm from a FinTech software startup, Wallstreet.io, located
12 in Santa Barbara, California.

13 17. In fact, in the Summer of 2022, Defendant TR arranged with Plaintiff
14 Trope to fly out from Florida to California, whereby Defendant TR was going to
15 stay at Plaintiff Trope’s home for a few days, during which time, Defendant TR
16 was going to accompany Plaintiff Trope to Wallstreet.io’s headquarters in Santa
17 Barabara during this scheduled trip. Defendant TR promised to introduce Plaintiff
18 Trope to various officers and decision-makers at Wallstreet.io, with the objective of
19 convincing Wallstreet.io to consider possibly retaining Plaintiff Trope for their
20 intellectual property legal work. At the last minute, Defendant TR cancelled the
21 trip, claiming that Wallstreet.io was having internal business issues.

22 18. Defendant TR’s father, Defendant Mandes-SR, repeatedly assured
23 Plaintiff Trope that his son’s clients included ex-Congressman Mark Foley, from
24 Florida, and Carey Warren, of Coterie Media, and that Defendant TR’s relationship
25 with Wallstreet.io was “solid”. Moreover, Carey Warren, of Coterie Media, called
26 Plaintiff Trope in August of 2022, with Defendant TR on the phone as well, to
27 vouch for Defendant TR’s expertise and integrity.

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1 19. In addition, Defendant TR repeatedly stated orally and indeed in
2 writing, via email and text messages, that he was extremely confident of Plaintiff
3 Trope's account being up by at least 20% by December 31, 2022, a period of less
4 than seven (7) months from the time of Plaintiff Trope's initial investment with
5 Defendant TR.

6 20. Plaintiff Trope then in or about June of 2022 invested the sum of
7 \$50,000 with Defendant TR whereby Plaintiff Trope opened an account through
8 interactive brokers known as IKBK. While the trading account was set up in
9 Plaintiff Trope's name, Defendant TR had access to execute trades through the
10 account.

11 21. Between June and October 2022, the account lost \$36,000. Plaintiff
12 Trope being disappointed at these results withdrew the remaining \$16,000.

13 22. Plaintiff Trope then reviewed his email correspondence as well as text
14 correspondence of the proceeding seven (7) months and even a casual reading of
15 those emails and text messages clearly indicate that Defendant TR repeatedly
16 assured Plaintiff Trope that he was either making money or worst case scenario was
17 holding and breaking even despite the overall declines in the Dow Jones Average
18 and the Standard Poor's 500 Index.

19 23. Plaintiff Trope had reasonably relied on these representations given
20 the fact that Defendant TR made numerous assurances that he knew what he was
21 doing. Plaintiff Trope was not a sophisticated investor. However, Defendant TR
22 knew at the time of making these representations that they were false, and he knew
23 at the time that he intended Plaintiff Trope to rely on these false representations.

24 24. Moreover, to further induce Plaintiff Trope to invest with Defendant
25 TR and allow him to manage his money, Defendant TR had at least one, if not two,
26 of his alleged clients call Plaintiff Trope and assured him over the phone that
27 Defendant TR the requisite knowledge and expertise.

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1 25. Ms. Herold had been Plaintiff Trope's real estate agent in California at
2 the time of the November 2021 introduction, and at the time, Plaintiff Trope had no
3 reason to discount the representations that were being repeated by Defendant TR,
4 given that Defendant TR was the source of all these representations.

5 26. Furthermore, Defendant TR introduced Plaintiff Trope to his father,
6 Defendant Mandes-SR., and they spoke several times by phone throughout the
7 period of June 2022 to October 2022 in which Defendant Mandes-SR repeatedly
8 assured Plaintiff Trope that Defendant TR was sufficiently experienced. In addition,
9 Defendant Mandes-SR was very grateful that Plaintiff Trope was not only a client
10 of Defendant TR's but also kind of a "big brother".

11 27. This conduct by Defendant TR and Defendant Mandes-SR was
12 nothing more than a giant charade to disguise the fact that Defendant TR never had
13 a license from any regulatory authority to trade stocks or manage investments.
14 Plaintiff Trope only discovered this fraudulent scheme in November of 2022.

15 28. Indeed, Plaintiff Trope made an inquiry, through a major brokerage
16 firm, and was unable to find any record of Defendant TR ever having a brokerage
17 license or a trading license, or a license of any kind involving any stock exchange.

18 29. When Plaintiff Trope questioned Defendant TR about this lack of a
19 broker's license in a phone call, Defendant TR said he had a license but had let it
20 expire but could renew it or activate it on 24 hours' notice if it was necessary.
21 Further, causing confusion regarding this scam or fraud being perpetrated by
22 Defendant TR and his father Mandes-SR., Plaintiff Trope repeatedly asked for
23 interim statements showing how his account was performing.

24 30. In response, Defendant TR would send snap shots of his computer
25 screen and then expect Plaintiff Trope to understand the information that was being
26 transmitted. Plaintiff Trope finally pointed out that given Defendant TR's alleged
27 25 years' experience in the industry, it should not have been a surprise for Plaintiff
28 Trope to request a formal printed accounting statement similar to any other

1 accounting statement that he alleged has gone out to other clients or that was issued
2 by other brokerage companies for whom Defendant TR had worked.

3 31. These phone calls regarding the lack of statement took place in
4 November of 2022, Furthermore, during these phone calls in November of 2022,
5 Defendant TR tried telling Plaintiff Trope that the information he was viewing on
6 his end through the Interactive Brokerage Account Portal was not as complete as
7 the information Plaintiff Trope could see if he logged into his own account.
8 However, upon further investigation, this turned out to be a grossly false
9 representation.

10 32. After several exhaustive email exchanges and telephone calls during
11 November 2022 with Defendant TR in which Plaintiff's account showed dramatic
12 losses of nearly 70% rather than profits of 20%, Defendant TR claimed he would
13 make up the losses to Plaintiff Trope.

14 33. Furthermore, he stated he was the only broker on the planet who would
15 make up these losses even though he claimed no responsibility for the losses
16 because of a written agreement. However, that written agreement was never signed
17 by Plaintiff Trope because he asked for certain revisions to it, which Defendant TR
18 never completed.

19 34. Indeed, instead of receiving a standard agreement in June of 2022,
20 Defendant TR sent a text photo of an agreement between himself and one of his
21 other clients and asked Plaintiff Trope to prepare his own agreement that Defendant
22 TR would review and ultimately sign.

23 35. Plaintiff Trope thought this was rather odd and did not follow through
24 as he got distracted with other things. Thus, there is no executed written agreement
25 between Plaintiff Trope and Defendant TR, whereby Defendant TR is indemnified
26 from any and all losses incurred by his incompetence in managing Plaintiff Trope's
27 account.

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1 36. Further telephonic and email discussions occurred between Plaintiff
 2 Trope and Defendant TR toward the end of November of 2022. During those calls
 3 and emails, Defendant TR said that skill expertise as a day trader was not with
 4 options or assessing growth stocks but in trading futures. Plaintiff Trope is not
 5 sophisticated enough to understand the differences among all of these different
 6 financial strategies as investment vehicles.

7 37. Nevertheless, to hear that the expertise presented by Defendant TR in
 8 April of 2022 had been disavowed in November of 2022, along with all other facts
 9 set forth hereinabove, led Plaintiff Trope to conclude that he had been a victim of
 10 wire fraud, mail fraud, conversion, and breach of oral contract, which all serve as
 11 predicate acts to support Claims for Relief under the Federal RICO Act.

12 38. Furthermore, Defendant TR's RICO violations were facilitated and
 13 assisted by Defendant TR's father Defendant Mandes-SR, and his wife, Cynthia C.
 14 Costello ("Cynthia"), who is Defendant TR's stepmother.

15 39. On or about November 30, 2022, Plaintiff Trope sent a letter to both
 16 Defendant TR and Defendant Mandes-SR demanding all losses be reimbursed by
 17 February 1, 2023. To date no response has been received, thereby forcing the filing
 18 of this lawsuit.

19 40. Plaintiff is informed and believes and thereon alleges upon further
 20 investigation that Defendant TR is a long-time cocaine addict. Defendant TR
 21 admitted his past cocaine drug history to Plaintiff Trope in late October and early
 22 November 2022, when Plaintiff Trope started asking questions about the losses in
 23 his account.

24 **FIRST CLAIM FOR RELIEF**

25 (Breach of Oral Contract)

26 AS AND FOR A FIRST CLAIM FOR RELIEF FOR BREACH OF ORAL
 27 CONTRACT AGAINST ALL DEFENDANTS, PLAINTIFF ALLEGES:

41. Plaintiff realleges and incorporates herein by reference Paragraphs 1 through 40, inclusive, of Plaintiff's Complaint with the same force and effect as though set forth in full herein.

42. There was an oral contract between Plaintiff and Defendants, and each of them, the terms of which are set forth at Paragraphs 9 through 41.

43. Plaintiff has performed all terms, conditions and covenants required by it under the oral contract described hereinabove.

44. Defendants have failed to perform the various material covenants, terms and conditions required of them under the written contracts as set forth hereinabove. Thus, Defendants are in material breach of the oral contract between the parties.

45. As a result of Defendants' breach of the terms and conditions of the oral agreement between Plaintiff and Defendants, in each of them Plaintiff is damaged in the sum of at least \$80,000 or according to proof at the time of trial to gather with interest thereon under California Law accruing from and after the breach date set forth herein.

46. Plaintiff has employed Trope Law Group, P.C., a duly licensed and registered California Professional Corporation to file and prosecute this Action and has been obligated to pay said law corporation a fee for the services rendered by Plaintiff at the rate of \$750 per hour pursuant to its retainer agreement.

SECOND CLAIM FOR RELIEF

(Violation of the Racketeering Influence and Corrupt Organizations Act, 18 U.S.C. § § 1961 *et seq.* ("RICO")(Wire Fraud))

AS AND FOR A SECOND CLAIM FOR RELIEF FOR VIOLATION OF THE RACKETEERING INFLUENCE AND CORRUPT ORGANIZATIONS ACT ("RICO")(WIRE FRAUD) AGAINST ALL DEFENDANTS, PLAINTIFF ALLEGES:

1 47. Plaintiff realleges and incorporates by reference paragraphs 1 through
2 46 inclusive, of Plaintiff's Complaint herein above with the same force and affect
3 as those set forth in full herein below.

4 48. The relevant time period for Defendant's pattern of racketeering stems
5 from at least November of 2021 and possibly earlier through the present, but at this
6 point discovery is yet unknown and continues through the filing of this RICO
7 Complaint.

8 49. Defendant Theodore Robert Mandes, Jr. ("TR") is now, and at all
9 times relevant to this action, a RICO Person ("RICO Person") within the meaning
10 of 18 U.S.C. § § 1961(3) and 1962(c). Theodore Robert Mandes, Sr. ("Mandes-
11 SR.") is also now, and at all times relevant to this action, a RICO Person ("RICO
12 Person") within the meaning of 18 U.S.C. § § 1961(3) and 1962(c).

13 **The RICO Enterprise**

14 50. The RICO persons have used their family as the "Enterprise" within
15 the meaning of 18 U.S.C. § § 1961(4) to carry out the pattern of racketeering
16 activity. This Enterprise consists of the RICO persons and the RICO business
17 namely the Mandes family. This Enterprise possessed and continues to possess a
18 common purpose and goal, a membership, an organizational structure, and an
19 ongoing relationship between the RICO persons and the RICO business with
20 sufficient longevity to permit and enable pursuit of the Enterprise's purpose and
21 long-term-objective through continuous course of conduct that affected and
22 continues to affect interstate commerce.

23 51. This RICO Enterprise is in fact a "association-in-fact-enterprise"
24 within the meaning of 18 U.S.C. § § 1961(4) to carry out the pattern of racketeering
25 activity. This "association-in-fact-enterprise" is the RICO Family which consists of
26 Defendant Theodore Robert Mandes Jr., Defendant Robert Mandes Sr. and
27 Cynthia C. Costello, the wife of RICO Person Mandes-SR., to help and facilitate
28 the violations alleged herein.

1 52. This RICO Family Enterprise possessed and continues to possess a
2 common purpose and goal, membership, organizational structure and ongoing
3 relationship between the RICO Persons and those unnamed witnesses who helped
4 facilitate the RICO Family's conduct for sufficient longevity to commit and enable
5 pursuit of the RICO Family's Enterprise's purpose and long-term-objectives
6 through a continuous course of conduct that affected and continues to affect
7 interstate commerce.

8 53. This "association-in-fact-enterprise" of Defendants also consists of
9 non-defendants, such as Cynthia C. Costello, as well as DOES 1 – 10, inclusive (the
10 RICO Family and Friends). Plaintiff is informed and believes and based upon such
11 information and belief alleges that all of the aforementioned individuals facilitated
12 and assisted the RICO Persons defined herein above in carrying out the Enterprise
13 described herein above and herein below, but their identities are not fully known to
14 Plaintiff beyond Cynthia Costello. Plaintiff will amend his Complaint to set forth
15 their true names when same have been ascertained.

16 54. The RICO Family Enterprise exists separate and apart from the RICO
17 persons pattern of racketeering activity in as much as the RICO family has multiple
18 goals, not all of which are fraudulent or illegal. The unlawful activity engaged in by
19 the RICO Family includes functioning as a regular family.

20 55. However, the RICO Persons (Theodore Robert Mandes Jr. and Robert
21 Mandes Sr.) along with the RICO Family and Friends, have since at least
22 November 2021, used Family Enterprise to conduct the repetitive acts of wire fraud
23 which comprised the pattern of racketeering as well as continuous acts set forth
24 herein above, which constitute repeated violations of criminal acts of wire fraud and
25 conversion.

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1 56. As part of the wire fraud and conversion scheme, Defendants, in
2 conjunction with the RICO Family made repeated representations concerning the
3 expertise and services of Defendant TR concerning his abilities to manage
4 investment funds.

5 57. At all relevant times, the Defendants and other conspirators associated
6 with the RICO Family Enterprise, conducted and participated, directly or indirectly,
7 in the conduct of the Enterprise's affairs through a "pattern of racketeering activity"
8 within the meaning of the Federal RICO Statute at 18 U.S.C. § 1961(5) and 18
9 U.S.C. § 1962(e).

10 58. Specifically at all relevant times, the RICO Persons and others
11 conspiring with the RICO Defendants engaged in a "racketeering activity" within
12 the meaning of 18 U.S.C. § 1961(1) by engaging in the acts set forth above against
13 Plaintiff, all with the express purpose of defrauding Plaintiff and illegally obtaining
14 the significant sums of money that he was fraudulently induced to invest with
15 Defendant TR.

16 59. In further acts of this racketeering pattern, the RICO Persons,
17 fraudulently induced Plaintiff Trope to deposit funds with Defendant TR with
18 discretion to invest said funds when in fact Defendant TR neither had the expertise
19 nor the required licensing to act as a financial adviser or to make investment
20 decisions.

21 60. Thus, the acts set forth above constitute a violation of one or more of
22 the following statutes: 18 U.S.C. § § 1956 and 1957 (wire fraud, money laundering,
23 and theft/ conversion). Defendants and their accomplices and co-conspirators each
24 committed and or aided and abetted in the commission of two or more of these acts
25 of racketeering activities.

26 61. Defendants acts in furtherance of their wire fraud and conversion
27 scheme to launder funds and convert same to their own use and deprive Plaintiff of
28 rightful ownership of his funds constituted a pattern of racketeering activity within

1 the meaning of 18 U.S.C. § 1961(5) because the predicate acts are repetitive, related
2 and continuous.

3 62. Each predicate act described herein above had the same or similar
4 purpose: predicate acts involve material misrepresentations, omissions and
5 concealment and esteemed to injure Plaintiff and defraud Plaintiff of his monies in
6 an investment scam. This pattern of racketeering is separate and distinct from the
7 activities of the RICO enterprise, mainly the RICO family, namely the Mandes
8 family.

9 63. Furthermore, each one of these financial transactions constitutes a
10 separate act unless there is a pattern of illegal conduct that qualifies for invocation
11 of the RICO Statute. *See e.g., United States v. Prescott*, 42 F. 3d 1165 (8th Circuit
12 1994); *United States v. Conley*, 826 F.Supp. 1536 (W.D.Pa. 1998).

13 64. There is territorial jurisdiction for these violations as the transactions
14 in question not only exceed \$10,000, but also the wire fraud was by a US citizen
15 and the conduct occurred in the United States. See 18 U.S.C. § § 1956(f) and
16 1957(d).

17 65. These acts of racketeering as previously described constitute a “pattern
18 of racketeering activity” within the meaning of 18 U.S.C. § 1951(5).

19 66. The acts alleged related to each other by virtue of common
20 participants, common victims and a common result of fraud, and enriching the
21 Defendants and their co-conspirators at Plaintiffs expense while concealing the
22 conspirators’ fraudulent activities. Wire fraud scheme continues and would have
23 remained unknown but for Plaintiff having discovered the fraudulent activities of
24 Defendant Theodore Robert Mandes Jr. and his father when TR admitted to his lack
25 of expertise as well as his drug habits and lack of a securities broker’s license.

26 67. To date, Plaintiff has been damaged in at least the sum of \$80,000 or
27 according to proof at the time of trial plus pre-judgment interest and attorneys’ fees.

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68. Pursuant to RICO, 18 U.S.C. § 1964(c) Plaintiff is entitled to recover three-times his damages plus three-times his costs and attorneys' fees from the Defendants.

THIRD CLAIM FOR RELIEF

(18 U.S.C. § § 1961 *et seq.* ("RICO")(Conversion))

AS AND FOR A THIRD CLAIM FOR RELIEF FOR VIOLATIONS OF THE RACKETEERING INFLUENCE AND CORRUPT ORGANIZATIONS ACT ("RICO") (CONVERSION) AGAINST ALL DEFENDANTS, PLAINTIFF ALLEGES:

69. Plaintiff realleges and incorporates by reference paragraphs 1 through 68 inclusive, of Plaintiff's Complaint herein above with the same force and affect as those set forth in full herein below.

70. The relevant time period for Defendant's pattern of racketeering stems from at least November of 2021 and possibly earlier through the present, but at this point discovery is yet unknown and continues through the filing of this RICO Complaint.

71. Defendant Theodore Robert Mandes ("TR") is now, and at all times relevant to this action, a RICO Person ("RICO Person") within the meaning of 18 U.S.C. § § 1961(3) and 1962(c). Defendant Theodore Robert Mandes, Sr. ("Mandes-SR.") is also now, and at all times relevant to this action, a RICO Person ("RICO Person") within the meaning of 18 U.S.C. § § 1961(3) and 1962(c).

The RICO Enterprise

72. The RICO persons have used their family as the "Enterprise" within the meaning of 18 U.S.C. § § 1961(4) to carry out the pattern of racketeering activity. This Enterprise consists of the RICO persons and the RICO business namely the Mandes family. This Enterprise possessed and continues to possess a common purpose and goal, a membership, an organizational structure, and an ongoing relationship between the RICO persons and the RICO business with

1 sufficient longevity to permit and enable pursuit of the Enterprise’s purpose and
2 long-term-objective through continuous course of conduct that affected and
3 continues to affect interstate commerce. This RICO Enterprise is in fact a
4 “association-in-fact-enterprise” within the meaning of 18 U.S.C. § § 1961(4) to
5 carry out the pattern of racketeering activity. This “association-in-fact-enterprise” is
6 the RICO family which consists of Theodore Robert Mandes, Robert Mandes Sr.
7 and Cynthia C. Costello, the wife of RICO person Robert Mandes Sr., to help and
8 facilitate the violations alleged herein.

9 73. This RICO Family Enterprise possessed and continues to possess a
10 common purpose and goal, membership, organizational structure and ongoing
11 relationship between the RICO Persons and those unnamed witnesses who helped
12 facilitate the RICO Family’s conduct for sufficient longevity to commit and enable
13 pursuit of the RICO Family’s Enterprise’s purpose and long-term-objectives
14 through a continuous course of conduct that affected and continues to affect
15 interstate commerce.

16 74. This “association-in-fact-enterprise” of Defendants also consists of
17 non-defendants, such as Cynthia C. Costello, as well as DOES 1 – 10, inclusive (the
18 RICO Family and Friends). Plaintiff is informed and believes and based upon such
19 information and belief alleges that all of the aforementioned individuals facilitated
20 and assisted the RICO Persons defined herein above in carrying out the Enterprise
21 described herein above and herein below, but their identities are not fully known to
22 Plaintiff beyond Cynthia Costello. Plaintiff will amend his Complaint to set forth
23 their true names when same have been ascertained.

24 75. The RICO Family Enterprise exists separate and apart from the RICO
25 persons pattern of racketeering activity in as much as the RICO Family has multiple
26 goals, not all of which are fraudulent or illegal. The unlawful activity engaged in by
27 the RICO Family includes functioning as a regular family.

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1 76. However, the RICO persons (Theodore Robert Mandes Jr. and
2 Theodore Robert Mandes Sr.) along with the RICO Family and Friends, have since
3 at least November 2021, used Family Enterprise to conduct the repetitive acts of
4 wire fraud which comprised the pattern of racketeering as well as continuous acts
5 set forth herein above, which constitute repeated violations of criminal acts of wire
6 fraud and conversion.

7 77. As part of the wire fraud and conversion scheme, Defendants, in
8 conjunction with the RICO Family made repeated representations concerning the
9 expertise and services of Defendant TR concerning his abilities to manage
10 investment funds.

11 78. At all relevant times, the Defendants and other conspirators associated
12 with the RICO Family Enterprise, conducted and participated, directly or indirectly,
13 in the conduct of the Enterprise's affairs through a "pattern of racketeering activity"
14 within the meaning of the Federal RICO Statute at 18 U.S.C. § 1961(5) and 18
15 U.S.C. § 1962(e).

16 79. Specifically at all relevant times, the RICO Persons and others
17 conspiring with the RICO Defendants engaged in a "racketeering activity" within
18 the meaning of 18 U.S.C. § 1961(1) by engaging in the acts set forth above against
19 Plaintiff, all with the express purpose of defrauding Plaintiff and illegally obtaining
20 the significant sums of money that he was fraudulently induced to invest with
21 Defendant TR.

22 80. In further acts of this racketeering pattern, the RICO Persons,
23 fraudulently induced Plaintiff Trope to deposit funds with Defendant TR with
24 discretion to invest said funds when in fact Defendant TR neither had the expertise
25 nor the required licensing to act as a financial adviser or to make investment
26 decisions.

27 81. Thus, the acts set forth above constitute a violation of one or more of
28 the following statutes: 18 U.S.C. § § 1956 and 1957 (wire fraud, money laundering,

1 and theft/ conversion). Defendants and their accomplices and co-conspirators each
2 committed and or aided and abetted in the commission of two or more of these acts
3 of racketeering activities.

4 82. Defendants acts in furtherance of their wire fraud and conversion
5 scheme to launder funds and convert same to their own use and deprive Plaintiff of
6 rightful ownership of his funds constituted a pattern of racketeering activity within
7 the meaning of 18 U.S.C. § 1961(5) because the predicate acts are repetitive, related
8 and continuous.

9 83. Each predicate act described herein above had the same or similar
10 purpose: predicate acts involve material misrepresentations, omissions and
11 concealment and esteemed to injure Plaintiff and defraud Plaintiff of his monies in
12 an investment scam. This pattern of racketeering is separate and distinct from the
13 activities of the RICO enterprise, mainly the RICO family, namely the Mandes
14 family.

15 84. Furthermore, each one of these financial transactions constitutes a
16 separate act unless there is a pattern of illegal conduct that qualifies for invocation
17 of the RICO Statute. *See e.g., United States v. Prescott*, 42 F. 3d 1165 (8th Circuit
18 1994); *United States v. Conley*, 826 F. 1536 (W.N.D.A. 1998).

19 85. There is territorial jurisdiction for these violations as the transactions
20 in question not only exceed \$10,000, but also the wire fraud was by a U.S. citizen
21 and the conduct occurred in the United States. See 18 U.S.C. § § 1956(f) and
22 1957(d).

23 86. These acts of racketeering as previously described constitute a “pattern
24 of racketeering activity” within the meaning of 18 U.S.C. § 1951(5).

25 87. The acts alleged related to each other by virtue of common
26 participants, common victims and a common result of fraud, and enriching the
27 Defendants and their co-conspirators at Plaintiffs expense while concealing the
28 conspirators’ fraudulent activities. Wire fraud scheme continues and would have

1 remained unknown but for Plaintiff having discovered the fraudulent activities of
 2 Defendant Theodore Robert Mandes Jr. and his father when TR admitted to his lack
 3 of expertise as well as his drug habits and lack of a securities broker's license.

4 88. To date, Plaintiff has been damaged in at least the sum of \$80,000 or
 5 according to proof at the time of trial plus pre-judgment interest and attorneys' fees.

6 89. Pursuant to RICO, 18 U.S.C. § 1964(c) Plaintiff is entitled to recover
 7 three-times his damages plus three-times his costs and attorneys' fees from the
 8 Defendants.

9 **FOURTH CLAIM FOR RELIEF**

10 (Fraud and Deceit - Intentional Misrepresentation - Suppression of Fact)

11 AS AND FOR A FOURTH CLAIM FOR RELIEF FOR FRAUD AND
 12 DECEIT - INTENTIONAL MISREPRESENTATION - SUPPRESSION OF
 13 FACT, AGAINST ALL DEFENDANTS, AND EACH OF THEM, PLAINTIFF
 14 ALLEGES:

15 90. Plaintiff realleges and incorporates herein by reference Paragraphs 1
 16 through 89, inclusive, of Plaintiff's Complaint with the same force and effect as
 17 though set forth herein.

18 91. Plaintiff is informed and believes, and based upon such information
 19 and belief alleges, that commencing on or about November 25, 2021 and continuing
 20 through the present, Defendants, and each of them, through TR and Mandes-SR.,
 21 falsely, fraudulently and intentionally made the representations telephonically and
 22 in writing, via e-mails and text messages as set forth in Paragraphs 9 through 40
 23 hereinabove.

24 92. The representations made by Defendants, and each of them, were in
 25 fact false, fraudulent and intentional. The true facts were that Defendants, and each
 26 of them, through TR, knew, at the time they made the foregoing false and
 27 fraudulent representations that Defendants had no intention of ever properly
 28 investing and managing Plaintiff's Trope's investment or paying the outstanding

1 amounts due to Plaintiff and in truth and in fact it was a “scheme” orchestrated by
2 Defendants to fraudulently deprive Plaintiff of his monies to which he was
3 rightfully entitled.

4 93. All of the false and fraudulent representations were made by
5 Defendants, through TR and Mandes-SR., to induce Plaintiff into placing
6 investment funds with Defendants so Defendants, and each of them, could divert
7 the funds received to their own use and benefit.

8 94. Plaintiff is further informed and believes and based thereon alleges
9 that Defendants never had any intention whatsoever of returning any principal or
10 profits to Plaintiff.

11 95. When Defendants, and each of them, intentionally made these false
12 and fraudulent representations they knew them to be false, and these false and
13 fraudulent representations were made by Defendants, and each of them, with the
14 intent to defraud and deceive Plaintiff, and with the intent to induce Plaintiffs to act
15 in the manner herein alleged.

16 96. Plaintiff, at the time these false and fraudulent representations were
17 intentionally made by Defendants, and each of them, and at the time Plaintiff took
18 the actions herein alleged, was ignorant of the falsity of Defendants' representations
19 and believed them to be true. In justifiable reliance on these false and fraudulent
20 representations, Plaintiff was induced to invest funds with Defendants.

21 97. Had Plaintiff known the actual facts, he never would have entrusted
22 these funds with Defendants. Plaintiff's reliance on Defendants' false and
23 fraudulent representations was justified because Defendants had made numerous
24 reasonable representations that were vouched for and confirmed by knowledgeable
25 and reliable third parties.

26 98. As a proximate result of Defendants' fraud and deceit and the facts
27 herein alleged, Plaintiff was deprived of the monies to which it was rightfully
28 entitled, all to Plaintiff's damage in at least the sum of Eighty Thousand Dollars

1 (\$80,000.00) plus interest, plus costs according to proof and attorneys' fees
 2 according to proof but in at least the sum of \$80,000.00, or in an amount to be
 3 determined at trial.

4 99. The aforementioned conduct of Defendants, and each of them, was
 5 intentional misrepresentation, deceit or concealment of a material fact known to the
 6 Defendants with the intention on the part of the Defendants of thereby depriving
 7 Plaintiff of property or legal rights or otherwise causing injury, and was despicable
 8 conduct that subjected Plaintiff to a cruel and unjust hardship in conscious
 9 disregard of Plaintiff's rights, so as to justify an award of punitive and exemplary
 10 damages, as well as an award of attorneys' fees to the extent allowed by law.

11 **FIFTH CLAIM FOR RELIEF**

12 (Conversion)

13 AS AND FOR AN FIFTH CLAIM FOR RELIEF FOR CONVERSION
 14 AGAINST ALL DEFENDANTS, AND EACH OF THEM, PLAINTIFF
 15 ALLEGES:

16 100. Plaintiff realleges and incorporates herein by reference Paragraphs 1
 17 through 99, inclusive, of Plaintiff's Complaint with the same force and effect as
 18 though set forth herein.

19 101. From in or about April 2022 through the present, Plaintiff was and still
 20 is the owner of and entitled to possession of the \$80,000.00 taken by Defendants.

21 102. From in or about April 2022 through the present, the above-mentioned
 22 property had a value of at least \$80,000.00.

23 103. From in or about April 2022 through the present, Defendants, and each
 24 of them, took the above-mentioned property from Plaintiff and converted the same
 25 to their own use and benefit.

26 104. From in or about April 2022 through the present, when Plaintiff first
 27 realized that Defendants, and each of them, had taken Plaintiff's monies/property
 28 and converted same to their own use and benefit, Plaintiff demanded, orally and in

1 writing, that Defendants immediately turn over the above-mentioned property to
 2 Plaintiff but Defendants, and each of them, to date, have failed and refused and
 3 continue to fail and refuse to do so.

4 105. As a proximate result of Defendants' conversion, Plaintiff has been
 5 deprived of the use and benefit to be derived from the property converted, all to
 6 Plaintiff's damage in at least the sum of \$80,000.00 or according to proof at the
 7 time of trial.

8 106. The conduct of Defendants, and each of them, was done with the
 9 intention on the part of the Defendants of depriving Plaintiff of its property and/or
 10 legal rights and otherwise causing injury and was despicable conduct that subjected
 11 Plaintiff to cruel and unjust hardships in conscious disregard of Plaintiff's rights so
 12 as to justify an award of exemplary and punitive damages.

13 **SIXTH CLAIM FOR RELIEF**

14 (Unjust Enrichment and Imposition of Constructive Trust)

15 AS A SIXTH CLAIM FOR RELIEF BASED ON UNJUST ENRICHMENT
 16 AND IMPOSITION OF CONSTRUCTIVE TRUST AGAINST ALL
 17 DEFENDANTS, AND EACH OF THEM, PLAINTIFF ALLEGES:

18 107. Plaintiff realleges and incorporates herein by reference Paragraphs 1
 19 through 106, inclusive, of Plaintiff's Complaint with the same force and effect as
 20 though set forth herein.

21 108. Plaintiff is informed and believes and thereon alleges that Defendants,
 22 and each of them, have received a benefit at Plaintiff's expense.

23 109. As alleged herein, as a direct and proximate result of the conduct of
 24 Defendants, and each of them, Plaintiff has been damaged in at least the sum of
 25 \$80,000.00 or an amount to be proved at trial together with interest thereon.

26 110. As further alleged herein, Defendants, and each of them, have enjoyed
 27 a benefit as alleged in this Complaint to the detriment of Plaintiff. Plaintiff is
 28 informed and believes and thereon alleges that the benefits conferred upon

1 Defendants, and each of them, was the result of mistake, fraud or coercion, or
 2 request, thus making their enrichment unjust.

3 111. Accordingly, in order to protect the Plaintiff, pending the final
 4 resolution of this action, Plaintiff requests that the Court impose a Constructive
 5 Trust over a sufficient amount of Defendants' assets and resources in order to
 6 ensure that Plaintiff is made whole at the conclusion of this action.

7 **PRAYER**

8 WHEREFORE, Plaintiff prays for relief as follows:

9 **FOR THE FIRST CLAIM FOR RELIEF FOR BREACH OF ORAL**
 10 **CONTRACT AS TO THEODORE ROBERT MANDES, JR., THEODORE**
 11 **ROBERT MANDES-SR AND DOES 1 THROUGH 10, INCLUSIVE:**

12 1. For damages in at least the sum of Eighty Thousand Dollars (\$80,000)
 13 including late fees or an amount to be proved at trial;

14 **FOR THE SECOND CLAIM FOR RELIEF FOR VIOLATION OF**
 15 **THE RACKETEERING INFLUENCE AND CORRUPT**
 16 **ORGANIZATIONS ACT ("RICO") (WIRE FRAUD) AS TO THEODORE**
 17 **ROBERT MANDES, JR., THEODORE ROBERT MANDES-SR AND DOES**
 18 **1 THROUGH 10, INCLUSIVE:**

19 2. For damages in at least the sum of Eighty Thousand Dollars (\$80,000)
 20 including late fees or an amount to be proved at trial;

21 **FOR THE THIRD CLAIM FOR RELIEF FOR VIOLATIONS OF THE**
 22 **RACKETEERING INFLUENCE AND CORRUPT ORGANIZATIONS ACT**
 23 **("RICO") (MONEY LAUNDERING) AS TO THEODORE ROBERT**
 24 **MANDES, JR., THEODORE ROBERT MANDES-SR AND DOES 1**
 25 **THROUGH 10, INCLUSIVE:**

26 3. For damages in at least the sum of Eighty Thousand Dollars (\$80,000)
 27 including late fees or an amount to be proved at trial;

**FOR THE FOURTH CLAIM FOR RELIEF FOR FRAUD AND
DECEIT - INTENTIONAL MISREPRESENTATION - SUPPRESSION OF
FACT AS TO THEODORE ROBERT MANDES, JR., THEODORE
ROBERT MANDES-SR AND DOES 1 THROUGH 10, INCLUSIVE:**

4. For damages in at least the sum of Eighty Thousand Dollars (\$80,000) including late fees or an amount to be proved at trial;

**FOR THE FIFTH CLAIM FOR RELIEF FOR RELIEF FOR
CONVERSION AS TO THEODORE ROBERT MANDES, JR., THEODORE
ROBERT MANDES-SR AND DOES 1 THROUGH 10, INCLUSIVE:**

5. For damages in at least the sum of Eighty Thousand Dollars (\$80,000) including late fees or an amount to be proved at trial;

FOR THE SIXTH CLAIM FOR RELIEF BASED ON UNJUST ENRICHMENT AND IMPOSITION OF CONSTRUCTIVE TRUST AS TO THEODORE ROBERT MANDES, JR., THEODORE ROBERT MANDES-SR AND DOES 1 THROUGH 10, INCLUSIVE:

6. For damages in at least the sum of Eighty Thousand Dollars (\$80,000) including late fees or an amount to be proved at trial;

FOR ALL CLAIMS FOR RELIEF:

55. For costs of suit incurred herein; and

56. For any such other and further relief as this Honorable Court deems just and proper.

DATED: October 24, 2023 TROPE LAW GROUP, P.C.


KONRAD L. TROPE,
ATTORNEYS FOR PLAINTIFF

1 **DEMAND FOR JURY TRIAL**

2 Plaintiff hereby demands a trial by jury on all issues triable by a jury in the
3 above-entitled action.

4
5 DATED: October 24, 2023 TROPE LAW GROUP, P.C.

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9 KONRAD L. TROPE,
10 ATTORNEYS FOR PLAINTIFF
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